

# The Royal Company of Merchants of the City of Edinburgh Charitable Trust

Scotland · Charity number SC051300

## Details

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Status	Active
Legal form	Trust (founding document is a deed of trust) (other than educational endowment)
Registered	2021-09-28
Register	<a href="#">View on the OSCR register</a>

## Contact

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**Address**                      The Merchants' Hall  
22 Hanover Street  
Edinburgh  
EH2 2EP

**Website**                      [mcoe.org.uk](http://mcoe.org.uk)

## Activities

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**Activities:** 'It makes grants, donations, loans, gifts or pensions to individuals','It makes grants, donations or gifts to organisations'

**Purposes:** 'the prevention or relief of poverty','the advancement of education','the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage'

**What the charity does:** · To encourage and provide assistance to any project, schemes or undertakings, which the Trustees will consider to be of benefit to the public or sectors of the community in the Edinburgh area. · To promote and encourage the advancement of education of children and young persons up to the age of 30 by the provision of facilities, projects, schemes, courses of instruction and training and other arrangements. · To provide assistance of an educational, social, welfare or any kind to any such children or young persons whom the Trustees consider to be disadvantaged by reason of ill health, financial or family need or in any other way whatsoever. · To provide assistance to any other established charity · To provide grants, bursaries, prizes, travel scholarship, study or research grants, books, tools, instruments, kits or any other equipment and generally any other assistance and encouragement, financially or otherwise towards the fulfilment of the foregoing objects.

**Beneficiaries:** 'Children or young people','People with disabilities or health problems'

**Objectives:** The Trustees shall hold the Trust Fund for such purposes ('Purposes') only as are within the meaning of charitable purposes in terms of the Charities and Trustee Investment (Scotland) Act 2005 as amended or superseded from time to time which are also regarded as charitable purposes in relation to the application of the Taxes Acts from time to time in force. **DECLARING** that the Purposes may include all or

any of the following purposes:- 3.1 The prevention or relief of poverty through: 3.1.1 the provision of an income to those persons in necessitous circumstances with a particular, though not exclusive, focus on those persons who additionally have strong ties to the City of Edinburgh. 3.1.2 the provision of financial support to those persons in need by reason of age, ill health, disability, financial hardship, bereavement, or other necessitous circumstances, with a particular, though not exclusive, focus on those persons who additionally reside in the Edinburgh and Lothian area, and to Merchant Company members who are found in reduced circumstances. 3.1.3 the provision of assistance to any project, scheme or undertaking which the Trustees consider to be of benefit to the public or sectors of any community, with a particular, though not exclusive, focus on projects, schemes or undertakings which will benefit those in necessitous circumstances and in the Edinburgh and Lothian area. and 3.1.4 the provision of assistance to any other established charity which the Trustees consider to have purposes similar to either of those described in clause 3.1.1 - 3.1.3 above.

## Geography

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- **Main operating location:** City of Edinburgh
- **Geographical spread:** Wider, but within one local authority area

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-07-31	£4,091,736	£126,620	-	0
2024-07-31	£0	£0	-	0
2023-07-31	£0	£0	-	0
2022-07-31	£0	£0	-	0

**The Royal Company of Merchants of the City of Edinburgh Charitable Trust**

Scotland - Charity number SC051300

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# Accounts

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**Charity registration number SC051300 (Scotland)**

**The Royal Company of Merchants of the City of Edinburgh Charitable Trust**

**Annual report and financial statements**

**for the year ended 31 July 2025**

# The Royal Company of Merchants of the City of Edinburgh Charitable Trust

## Legal and administrative information

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<b>Trustees</b>	Grant Macrae Katie Ridland Robert Armour Brian McGhee Irene Archer Frank Ross Liz Flockhart Hilary Turnbull Hamish Wilson Mary McIntosh Andrew Swan Les Banks Mark Quinn Alexander Lamley Grahame Walker Joe Goldblatt Hew Mathewson CBE Callum Seale
<b>Charity number (Scotland)</b>	SC051300
<b>Principal address</b>	The Merchants Hall 22 Hanover Street Edinburgh EH2 2EP
<b>Auditor</b>	Henderson Loggie LLP Level 5 The Stamp Office 10-14 Waterloo Place Edinburgh EH1 3EG
<b>Bankers</b>	The Royal Bank of Scotland Plc 36 St Andrew Square Edinburgh EH2 2YB
<b>Solicitors</b>	Morton Fraser MacRoberts LLP 9 Haymarket Square Edinburgh EH3 8RY

# The Royal Company of Merchants of the City of Edinburgh Charitable Trust

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# The Royal Company of Merchants of the City of Edinburgh Charitable Trust

## Trustees' report

for the year ended 31 July 2025

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The Trustees present their annual report and financial statements for the year ended 31 July 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

### Objectives and activities

The purpose of the Trust is:

- To encourage and provide assistance to any project, schemes or undertakings, which the Trustees will consider to be of benefit to the public or sectors of the community in the Edinburgh area.
- To promote and encourage the advancement of education of children and young persons up to the age of 30 by the provision of facilities, projects, schemes, courses of instruction and training and other arrangements, which in the opinion of the Trustees will increase and expand the knowledge and awareness of such children and young persons in the working of industry, business, commerce and related matters in Scotland and elsewhere throughout the world.
- To provide assistance of an educational, social, welfare or any kind to any such children or young persons whom the Trustees consider to be disadvantaged by reason of ill health, financial or family need or in any other way whatsoever.
- To provide assistance to any other established charity, which is considered by the Trustees to have purposes similar to any of the foregoing.
- To provide grants, bursaries, prizes, travel scholarship, study or research grants, books, tools, instruments, kits or any other equipment and generally any other assistance and encouragement, financially or otherwise towards the fulfilment of the foregoing objects.

### Achievements and performance

*Significant activities and achievements against objectives*

During the year under review the Trustees focused on grants and donations as follows:

- Ripple Project £10,000;
- WHY Project £10,000;
- Pilmeny Development £10,000;
- Community Renewals Trust £10,000;
- Cyrenians £5,000;
- Fresh Start £5,000;
- Stepping Stones £4,000;
- Pilton Youth & Children Project £4,000;
- Travel Awards to pupils at George Watson's College £3,250;
- Other Donations £1,800

The total donated in line with our charitable purposes in this financial year was £63,800.

### Financial review

The income of the Trust is derived from the invested funds. The Trustees were satisfied with the level of income. The Trustees consider the performance of the Trust to be satisfactory.

## The Royal Company of Merchants of the City of Edinburgh Charitable Trust

### Trustees' report (continued)

for the year ended 31 July 2025

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#### *Reserves policy*

It is the Trustees' policy to maintain a level of reserves that will provide sufficient income to cover the Trusts' regular commitments. Trustees have the authority to vary these regular commitments if required. Reserves in excess of commitments are available for disbursement. Overall, the Charitable Trusts have unrestricted reserves of £4,336,715.

#### *Investment policy*

It is the Trustee's policy to invest in such a way that both investment growth and regular investment income is available to meet the needs of the Trust. This has been achieved by keeping the portfolio under regular review.

#### Investment Performance

The investments achieved a level of capital growth and income generation that the Trustees considered to be in accordance with investment policy and satisfactory when compared with standard benchmarks.

#### **Risk Management**

The Trustees recognise their responsibility to regularly assess main risks and aim to mitigate exposure to these risks.

The key risk is the loss of income from investments. This is mitigated by diversification of the investment portfolio and could be resolved by the Trustees deciding to reduce regular commitments.

#### **Plans for future periods**

The Trustees have considered the future strategy of the Trust and are looking to increase the amount of grants it makes each year, selecting 3 new charities per year to work with on a 2-year rolling basis.

#### **Structure, governance and management**

The Trust is a registered charity and is formed from the amalgamation of the Sundry Trusts which were 8 separate charities fulfilling the above charitable objectives and activities, but individually. It was deemed that by bringing all these into one place, the impact could be bigger.

These Sundry Trusts were:

- The Sanson Awards (SC036726);
- The Merchant Company Charitable Trusts (SC022283);
- The James Law Charitable Trust (SC008878);
- The Elizabeth Baird Ross Bequest (SC024382);
- The Mary Duncan Bequest Edinburgh Merchant Company (SC012960);
- The Thomas Lyon Bequest (SC010284);
- The Bank of Scotland Tercentenary Travel Study Scholarship (SC022088); and
- The Alexander Darling Silk Mercer's Fund (SC035724).

## The Royal Company of Merchants of the City of Edinburgh Charitable Trust

### Trustees' report (continued)

for the year ended 31 July 2025

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The Trustees – The Master's Court of the Royal Company of Merchants of the City of Edinburgh – ex officio

Grant Macrae	Master of the Royal Company	From November 2024
Katie Ridland	Treasurer of the Royal Company	From November 2024
Josh Miller		Until November 2024
Graham Harper		Until November 2024
Marcella Macdonald		Until November 2024
Maidie Cahill		Until November 2024
Robert Armour		Until November 2025
Brian McGhee		Until November 2025
Irene Archer		Until November 2025
Frank Ross		Until November 2025
Liz Flockhart		From November 2023
Hilary Turnbull		From November 2023
Hamish Wilson		From November 2023
Mary MacIntosh		From November 2023
Andrew Swann		From November 2024
Les Banks		From November 2024
Mark Quinn		From November 2024
Alexander Lamley		From November 2024
Joe Goldblatt		From November 2025
Hew Mathewson CBE		From November 2025
Callum Seale		From November 2025
Grahame Walker		From November 2025

#### *Recruitment and appointment of trustees*

The Trustees (*ex officio*) of the Trust on which the following report is given are the Master's Court of the Royal Company of Merchants of the City of Edinburgh, a Court of volunteers elected by the Members of the Company. The Trust is therefore connected with the Royal Company of Merchants. On appointment, Trustees are provided with full information regarding the history and objectives of the Trusts and encouraged to develop the knowledge of the duties and responsibilities expected of them.

The administration of the Trust is carried out by the Chief Executive Officer, the Director of Finance, the Almoner and the team of the Royal Company of Merchants. The Trust is registered as a charity.

#### **Disclosure of information to auditor**

So far as each person who was a trustee at the date of approving this report is aware, there is no relevant audit information of which the Trust's auditor is unaware. Additionally, the trustees individually have taken all the necessary steps that they ought to have taken as trustees in order to make themselves aware of all relevant audit information and to establish that the Trust's auditor is aware of that information.

On behalf of the Trusts

  
Grant Macrae – 2026-01-05, 11:53:52 UTC

Grant Macrae  
**Trustee**

Date: .....

## **The Royal Company of Merchants of the City of Edinburgh Charitable Trust**

### **Statement of trustees' responsibilities**

**for the year ended 31 July 2025**

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The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## The Royal Company of Merchants of the City of Edinburgh Charitable Trust

### Independent auditor's report

#### to the Trustees of The Royal Company of Merchants of the City of Edinburgh Charitable Trust

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#### Opinion

We have audited the financial statements of The Royal Company of Merchants of the City of Edinburgh Charitable Trust (the 'charity') for the year ended 31 July 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2025 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## The Royal Company of Merchants of the City of Edinburgh Charitable Trust

### Independent auditor's report (continued)

#### to the Trustees of The Royal Company of Merchants of the City of Edinburgh Charitable Trust

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#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Trustees**

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: FRS 102, GDPR and compliance with the Charity Acts;
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

## The Royal Company of Merchants of the City of Edinburgh Charitable Trust

### Independent auditor's report (continued)

#### to the Trustees of The Royal Company of Merchants of the City of Edinburgh Charitable Trust

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The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board meeting minutes for discussions of irregularities including fraud;
- Reading correspondence with regulators including OSCR to determine the extent of compliance;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the carrying value of investments;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Testing key revenue lines, in particular cut-off, for evidence of management bias; and
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the trustees.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Diana Penny*

Diana Penny - 2026-01-07, 09:45:52 UTC

**Henderson Loggie LLP (Senior Statutory Auditor)**  
**for and on behalf of Henderson Loggie LLP**

.....

**Chartered Accountants**  
**Statutory Auditor**

Level 5  
The Stamp Office  
10-14 Waterloo Place  
Edinburgh  
EH1 3EG

Henderson Loggie LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

# The Royal Company of Merchants of the City of Edinburgh Charitable Trust

## Statement of financial activities including income and expenditure

for the year ended 31 July 2025

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	Notes	Unrestricted funds 2025 £
<b>Income from:</b>		
Donations and legacies		4,012,878
Investments		78,858
<b>Total income</b>		<b>4,091,736</b>
<b>Expenditure on:</b>		
Raising funds	3	17,426
Charitable activities	4	109,194
<b>Total expenditure</b>		<b>126,620</b>
Net gains/(losses) on investments		371,599
<b>Net income and movement in funds</b>		<b>4,336,715</b>
<b>Reconciliation of funds:</b>		
Fund balances at 1 August 2024		-
<b>Fund balances at 31 July 2025</b>		<b>4,336,715</b>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The charity was not active during the prior year. It received no income and incurred no expenditure, and therefore made neither surplus nor deficit.

The Royal Company of Merchants of the City of Edinburgh Charitable Trust

Balance sheet

as at 31 July 2025

	Notes	2025		2024	
		£	£	£	£
<b>Fixed assets</b>					
Investments	7		4,162,640		-
<b>Current assets</b>					
Debtors	8	558		-	
Cash at bank and in hand		189,141		-	
			189,699		-
<b>Creditors: amounts falling due within one year</b>	9	(15,624)		-	
<b>Net current assets</b>			174,075		-
<b>Total assets less current liabilities</b>			4,336,715		-
<b>Net assets</b>			4,336,715		-
<b>The funds of the charity</b>					
Unrestricted funds			4,336,715		-
			4,336,715		-

The financial statements were approved by the Trustees on .....

 Grant Macrae - 2026-01-05, 11:53:52 UTC

Grant Macrae  
Trustee

The Royal Company of Merchants of the City of Edinburgh Charitable Trust

Statement of cash flows

for the year ended 25 July 2025

	Notes	2025 £	£	2024 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	13		110,283		-
<b>Investing activities</b>					
Investment income received		78,858		-	
<b>Net cash generated from/(used in) investing activities</b>					
			78,858		-
<b>Net cash used in financing activities</b>					
			-		-
<b>Net increase in cash and cash equivalents</b>					
			189,141		-
Cash and cash equivalents at beginning of year			-		-
<b>Cash and cash equivalents at end of year</b>					
			189,141		-
<b>Relating to:</b>					
Cash at bank and in hand			189,141		-

# The Royal Company of Merchants of the City of Edinburgh Charitable Trust

## Notes to the financial statements

for the year ended 31 July 2025

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### 1 Accounting policies

#### Charity information

The Royal Company of Merchants of the City of Edinburgh Charitable Trust is a charitable trust registered in Scotland.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for at least the next twelve months. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of their charitable objectives.

#### 1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income from investments is accounted for when receivable.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

#### 1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

# The Royal Company of Merchants of the City of Edinburgh Charitable Trust

## Notes to the financial statements (continued)

for the year ended 31 July 2025

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### 1 Accounting policies (continued)

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

#### 1.8 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

##### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are measured at transaction price including transaction costs.

##### Basic financial liabilities

Basic financial liabilities, including creditors are recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Valuation of investments

The investments held by the Fund are administered by investment advisors Cazenove Capital Management Limited. In line with note 1.6 the investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. The transaction price, transaction costs and fair value of the investments are based upon the regular investment portfolio reports obtained from the investment advisors.

# The Royal Company of Merchants of the City of Edinburgh Charitable Trust

## Notes to the financial statements (continued)

for the year ended 31 July 2025

### 3 Expenditure on raising funds

	<b>Unrestricted funds 2025 £</b>	Unrestricted funds 2024 £
Investment management	<b>17,426</b>	-

### 4 Expenditure on charitable activities

	<b>Total 2025 £</b>
<b>Direct costs</b>	
Donations	<b>70,520</b>
Costs recovered by The Merchant Company	<b>30,900</b>
Insurance	<b>442</b>
Bank charges	<b>46</b>
Miscellaneous expenses	<b>1,009</b>
Audit fees	<b>4,777</b>
Accountancy fees	<b>1,500</b>
	<b>109,194</b>
<b>Analysis by fund</b>	
Unrestricted funds	<b>109,194</b>

### 5 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

### 6 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

The Royal Company of Merchants of the City of Edinburgh Charitable Trust

Notes to the financial statements (continued)

for the year ended 31 July 2025

7 Fixed asset investments

	Listed investments £	Cash in portfolio £	Total £
<b>Cost or valuation</b>			
At 1 August 2024	-	-	-
Additions	3,656,153	134,888	3,791,041
Valuation changes	371,599	-	371,599
At 31 July 2025	<u>4,027,752</u>	<u>134,888</u>	<u>4,162,640</u>
<b>Carrying amount</b>			
At 31 July 2025	<u>4,027,752</u>	<u>134,888</u>	<u>4,162,640</u>
At 31 July 2024	<u>-</u>	<u>-</u>	<u>-</u>

8 Debtors

	2025 £	2024 £
<b>Amounts falling due within one year:</b>		
Other debtors	<u>558</u>	<u>-</u>

9 Creditors: amounts falling due within one year

	2025 £	2024 £
Other creditors	2,250	-
Accruals and deferred income	13,374	-
	<u>15,624</u>	<u>-</u>

10 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations which are not subject to specific conditions by donors and grantors as to how they may be used.

	At 1 August 2024 £	Incoming resources £	Resources expended £	Gains and losses £	At 31 July 2025 £
General funds	-	4,091,736	(126,620)	371,599	4,336,715
	<u>-</u>	<u>4,091,736</u>	<u>(126,620)</u>	<u>371,599</u>	<u>4,336,715</u>

11 Related party transactions

## The Royal Company of Merchants of the City of Edinburgh Charitable Trust

### Notes to the financial statements (continued)

for the year ended 31 July 2025

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#### 11 Related party transactions (continued)

Management charges are paid to the Royal Company of Merchants of the City of Edinburgh for administration and accounting services are provided by the company. The cost of these services this year was £30,900 of which £2,250 remains outstanding at year end.

#### 12 Ultimate controlling party

The ultimate controlling party is The Royal Company of Merchants of the City of Edinburgh, a company incorporated under Royal Charter in the United Kingdom.

<b>13 Cash generated from operations</b>	<b>2025</b>	<b>2024</b>
	<b>£</b>	<b>£</b>
Surplus for the year	<b>4,336,715</b>	-
Adjustments for:		
Non-cash donation	<b>(3,791,041)</b>	-
Investment income recognised in statement of financial activities	<b>(78,858)</b>	-
Fair value gains and losses on investments	<b>(371,599)</b>	-
Movements in working capital:		
(Increase) in debtors	<b>(558)</b>	-
Increase in creditors	<b>15,624</b>	-
<b>Cash generated from/(absorbed by) operations</b>	<b>110,283</b>	-

#### 14 Analysis of changes in net funds/(debt)

The charity had no material debt during the year.



## Certificate Summary

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